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No. 1338

In the

# Supreme Court of the United States

OCTOBER TERM, 1965.

AUTOMATIC ELECTRIC COMPANY,

*Petitioner,*

*vs.*

TECHNOGRAPH PRINTED CIRCUITS, LTD., and TECHNOGRAPH PRINTED ELECTRONICS, INCORPORATED,

*Respondents.*

## PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT.

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# INDEX


| | PAGE |
|---|---|
| Opinions Below | 1 |
| Jurisdiction | 2 |
| Questions Presented | 2 |
| Introductory Statement | 3 |
| Statutes Involved | 4 |
| Statement of the Case | 4 |
| Reasons for Granting Petition | 8 |
| I. On the Broad Principle of the Relief Afforded by an Adjudication of Patent Invalidity | 8 |
| II. As to the Substantive Issues | 14 |
| 1. Relieving The Public of an Asserted Monopoly | 14 |
| 2. The Procedure in a Second Suit on Patents Held Invalid | 16 |
| Conclusion | 16 |
| Appendix A | 1a |
| Appendix B | 15a |
| Appendix C | 16a |
| Appendix D | 17a |
| Appendix E | 19a |


## AUTHORITIES CITED


Aghnides v. Holden, 226 F.2d 949 (7 Cir. 1955) ..... 8, 10

Bernhard v. Bank of America, 19 Cal. 2d 807, 122 P.2d 892 (1942) ..... 12, 13

PAGE

Bruszewski v. United States, 181 F.2d 419 (3 Cir. 1950) ..... 12

Factor v. Pennington Press, Inc., 230 F.Supp. 906 (N.D. Ill. 1963) ..... 12, 13

Haughey v. Lee, 151 U.S. 282 (1894) ..... 8, 13, 14, 15

Kellogg Switchboard & Supply Co. v. Michigan Bell Telephone Co., 99 F.2d 203 (6 Cir. 1938) ..... 13

Lovell Manufacturing Co. v. Cary, 147 U.S. 623 (1893) 15

McCandless v. Furlaud, 296 U.S. 140 (1935) ..... 11

Mast, Foos & Co. v. Stover Mfg. Co., 177 U.S. 485 (1900) 3

Maytag Co. v. Hurley Co., 307 U.S. 243 (1939) ..... 3

Miller v. Foree, 116 U.S. 22 (1885) ..... 15

Nickerson v. Pep Boys—Manny, Moe & Jack, 247 F. Supp. 221 (D. Del. 1965) ..... 14

Paramount Publix Corp. v. American Tri-Ergon Corp., 294 U.S. 464 (1935) ..... 13, 14

Sanitary Refrigerator Co. v. Winters, 280 U.S. 30 (1929) ..... 3

Technograph Printed Circuits, Ltd. v. Bendix Aviation Corp., 218 F. Supp. 1 (D. Md. 1963); Affirmed 327 F. 2d 497 ..... 5, 15

Triplett v. Lowell, 297 U.S. 638 (1936) ..... 2, 9

United Air Lines, Inc. v. Wiener, 335 F.2d 379 (9 Cir. 1964) ..... 12

United States v. American Bell Telephone Co., 128 U.S. 315 (1888) ..... 13

Upshaw v. United States, 335 U.S. 410 (1948) ..... 11

PAGE

Williams v. United Shoe Mach. Corp., 121 F.2d 273 (6 Cir. 1941) ..... 13

Zdanok v. Glidden Company, 327 F.2d 944 (2 Cir. 1964) 12

28 U.S.C. § 1254 (1) ..... 2

28 U.S.C. §§ 1338 & 1400(b) ..... 5

35 U.S.C. § 102 ..... 4

35 U.S.C. § 102(b) ..... 5

35 U.S.C. § 103 ..... 4, 5

Rule 52 FRCP ..... 4

Rule 52(a) FRCP ..... 6

Rule 56 FRCP ..... 4, 6

"Civil Procedure: The Tempest Brews," by Brainerd Currie in California Law Review, Vol. 53, No. 25, pp. 38-46 ..... 4

"Mutuality of Collateral Estoppel: Limits of the Bernhard Doctrine," Stanford Law Review, Vol. 9, pp. 281-322, 1957 ..... 4

"Bentham, Rationale of Judicial Evidence, in Works of Jeremy Bentham 171" (Bowring Ed. 1843) ..... 11

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TECHNOGRAPH PRINTED CIRCUITS, LTD., and TECHNOGRAPH PRINTED ELECTRONICS, INCORPORATED,

*Respondents,*

*vs.*

GENERAL TELEPHONE & ELECTRONICS CORPORATION

and

AUTOMATIC ELECTRIC COMPANY,

*Petitioner.*

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## PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT.

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Petitioner, Automatic Electric Company, respectfully petitions for a writ of certiorari to the United States Court of Appeals for the Seventh Circuit.

## OPINIONS BELOW.

The opinion of the Court of Appeals (Appendix A, *infra,* pp. 1a-14a) is reported at 356 F.2d 442.

The District Court for the Northern District of Illinois entered an order granting a motion for summary judg-

ment based upon the invalidity of the patents in suit. It is not reported but is set forth in substance in petitioner's appendix (P.A. p. 4)[1] and in the Court's opinion below (Appendix A, *infra,* p. 3a).

## JURISDICTION.

The judgment of the Court of Appeals was entered on January 7, 1966 (Appendix B, *infra,* p. 15a). A petition for rehearing was denied on March 22, 1966 (Appendix C, *infra,* p. 16a). The mandate of the Court of Appeals has been stayed until June 2, 1966 to permit the filing of this petition (Appendix D, *infra,* pp. 17a, 18a).

The jurisdiction of this Court is invoked under 28 U.S.C. § 1254(1).

## QUESTIONS PRESENTED.

As to Readjudication of Patents Held Invalid:

1. Where *Triplett* v. *Lowell,* 297 U.S. 638, 642 (1936) holds that an adjudication adverse to the patent does not preclude another suit upon the same patent against another defendant;

a) on what theory of law or logic and under what conditions should the patentee be entitled to a second full trial including testimony on the merits involving precisely the same issues of law and fact upon which the patentee has had a day in court; and

b) if *Triplett* compels such a second full trial, should not this court now review and clarify that

[1] References to petitioner's appendix below entitled "APPENDIX TO APPELLEE'S BRIEF" will be designated (P.A. .....), and respondent's appendix below entitled "APPENDIX TO APPELLANT'S BRIEF" as (R. A. .....).

decision and provide much needed guidance and authority in the patent field consistent with the need to exonerate and free the public of the harassment of endless litigation.

As to the Merits of This Case:

2. Where the patents (Eisler patents Nos. Re. 24,165 and 2,706,697) previously have been held invalid in view of specified prior art in an affirmed decision where certiorari was denied, did not the District Court in this second suit on the same patents apply the proper criteria in requiring the respondent to show cause why the matter should not be disposed of without the necessity of a complete trial and in granting summary judgment based upon substantially the same specified prior art.

## INTRODUCTORY STATEMENT.

The "doctrine" of *Triplett* is, of course, well known and its misapplication is no doubt responsible for much of the complexity, cost, indecisiveness and dissatisfaction associated with patent litigation. The decision is over thirty years old and has stood, singlehanded, for the proposition that a patentee whose patent is adjudged invalid in one suit, is not bound by that adjudication against the rest of the world but can relitigate again and again.[2] The doctrine grew out of the broader doctrine of mutuality of estoppel which is being rapidly eroded and

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[2] In the cited precedents, *Mast, Foos & Co.* v. *Stover Mfg. Co.*, 177 U.S. 485 (1900) and *Sanitary Refrigerator Co.* v. *Winters*, 280 U.S. 30, 35 (1929), the patent had been first held valid. In only one case this Court has referred to the *Triplett* case, *Maytag Company* v. *Hurley Machine Co. et al.*, 307 U.S. 243, 244 (1939) and there for the proposition that a claim that should have been disclaimed might have been the basis of another suit.

recognized as illogical and unjust.[3] While in other fields the doctrine can evolve through many courts, in the patent field it remains for this Court to provide the much needed authority. This case provides an ideal opportunity for this Court, by granting certiorari, to clarify the doctrine and bring the concepts of collateral estoppel and comity in patent cases abreast of the demands of modern practice and the law in other fields and into consonance with the actual holding in *Triplett*.

## STATUTES INVOLVED.

The provisions of Rules 52 and 56, Federal Rules of Civil Procedure, and of Sections 102 and 103 of the Patent Code of 1952 (35 U.S.C. §§ 102 and 103) are relevant and are reproduced in Appendix E.

## STATEMENT OF THE CASE.

The respondents are the owner and exclusive licensee, respectively, of the two patents in suit, U. S. Patent Nos. Re. 24,165 and 2,706,697 which resulted from a single parent application (Appendix A, p. 2a). The patents relate to a method of manufacturing electric circuit components by etching away selected portions of a copper foil from an insulating base and include no claims directed to the components *per se*.[4]

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[3] Mutuality of estoppel has been rejected in at least three federal circuits and in many district and state courts. A rather complete summary of the cases is appended to the article "Civil Procedure: The Tempest Brews" by Brainerd Currie in *California Law Review*, Vol. 53, No. 25, pp. 38-46. Also of interest is Currie, "Mutuality of Collateral Estoppel: Limits of the Bernhard Doctrine" *Stanford Law Review*, Vol. 9, pp. 281-322, 1957.

[4] The patents are set out in full at R.A. 51a et seq. The essence of the methods is described in Patent Re. 24,165 at col. 1, 11. 51-54, 63-72, col. 2, 11. 1-8 and col. 5, 11. 65-75 and in Patent 2,706,697 at col. 1, 11. 45-48, 57-75 and col. 5, 11. 20-41 and 60-70.

The basis of federal jurisdiction in the District Court was 28 U.S.C. §§ 1338 and 1400 (b).

Respondents filed approximately eighty civil actions based upon various combinations of the two patents here in suit plus a third one, U. S. Patent No. 2,441,960, which was also based upon the same parent application. Patents Nos. 2,441,960 and Re. 24,165 have expired.

One of these eighty suits, the action against Bendix Aviation Corp. in Maryland was tried first.[5] The trial was extensive and thorough as evidenced by the comprehensive opinion of Judge Watkins extending from pages 1 through 67 of 218 F. Supp. Respondents had a full, free and unfettered opportunity to defend the validity of the patents and after full briefing and argument, the District Court held the claims of the three Eisler patents in suit invalid as anticipated by a Stevens and Dallas reference under 35 U.S.C. 102(b). The court also held "Should another court find that the alleged Eisler inventions were not identically disclosed or described in the Stevens and Dallas application, this court unhesitatingly finds and holds that 'the differences between the subject matter sought to be patented and the prior art'' were ''such that the subject matter as a whole would have been obvious at the time the [alleged] invention[s] [were] made to a person having ordinary skill in the art to which said subject matter pertains' ". (35 U.S.C. § 103, 218 F. Supp. 1, 31).

The Fourth Circuit Court of Appeals specifically affirmed per curiam on the latter basis on January 17, 1964 (327 F.2d 497, 1964). On June 12, 1964 petitioner in the

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[5] *Technograph Printed Circuits, Ltd.* v. *Bendix Aviation Corp.*, 218 F. Supp. 1 (D. Md. 1963), affirmed 327 F.2d 497 (4 Cir. 1964), Cert. Den. 379 U.S. 826 (1964). Footnote 21 at 218 F. Supp. 1, 8 describes the extent of the proceedings.

case at bar moved the District Court for summary judgment of patent invalidity based upon much of the same prior art relied upon and discussed in detail in the *Bendix* decision.[6] All briefs were submitted by October 18, 1964 and petitioner's motion was granted on December 30, 1964. Respondents filed six affidavits at various times during the six month period in which the motion was pending.[7] None raised any factual issue, none supported any contention that the methods of the prior art were not precisely the methods of the Eisler patents, and none supported any contention that plaintiff did not have a full opportunity to present its case on the prior art before the Maryland Court or that the Maryland Court was clearly in error.

The only substantive allegations about the prior art were in the Town affidavit but these were perfunctory and went to the nature of the *unpatented devices* made by the methods of the prior art and not to the patented methods at all. (R. A. 32-34a). Respondents' brief gave only lip service to the entire subject.[8] Petitioner placed substantial reliance upon the *Bendix* decision and respondents failed to meet their burden of showing prima facie that this decision was clearly in error. Thus the District Court granted petitioner's Motion on December 30, 1964 without an opinion or formal findings of fact or conclusions of law.[9]

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[6] On that same day respondent here petitioned this Court for a Writ of Certiorari to the Fourth Circuit in the *Bendix* case.

[7] R.A. pp. 12a-50a.

[8] The major portion of respondents' treatment of the prior art is set forth in petitioner's Appendix (P. A. pp. 32a-33a).

[9] Findings of fact would be out of place in summary judgment proceedings. Rule 52(a) specifically excludes proceedings under Rule 56 from the requirement for findings of fact and conclusions of law.

The Seventh Circuit Court of Appeals, in reversing and remanding for the taking of testimony at a trial on the merits relied in part upon the *Bendix* decision for a detailed description of the patent claims (Appendix A, p. 13a). The Court quoted the District Court extensively in showing why there was little doubt in the court's mind that the District Court thought "that the Maryland decision in *Bendix* settled the matter" (Appendix A, p. 5a). The Court of Appeals summarized the six affidavits filed by respondents and these summaries show clearly that no *fact* issue was raised, no showing is made which was not made in the *Bendix* decision, and no showing is made evidencing any clear error in *Bendix* (Appendix A, pp. 6a-8a). The Court stated that the prior art patents escape their understanding but appeared to find error in the District Court's judgment solely because of the lengthy decision in *Bendix* (Appendix A, p. 13a).

Instead of placing reliance upon the comprehensive *Bendix* decision holding the same patents invalid in view of the same prior art, and giving that decision great weight, the court observed that the *Bendix* opinion indicates a sharp and bitter dispute concerning the factual determinations (Appendix A, p. 10a). The Court thus rejected the prior adjudication and stated that having the *Bendix* opinion before them is a far cry from having before them the record of the testimony in that case (Appendix A, p. 10a).

Instead of placing the burden on respondents to make a prima facie showing that they could prove that the *Bendix* decision was clearly wrong or that respondents had not had a full opportunity to meet the prior art, the Court of Appeals held that all inferences must be viewed in the light most favorable to the respondents and that all doubts must be resolved against petitioner and con-

sequently against the correctness of the *Bendix* decision (Appendix A, p. 9a).

The Court of Appeals viewed this case as though the patents had not already been held invalid in the *Bendix* decision, or even worse, used the comprehensive and thorough *Bendix* decision to infer that because of that decision there must be genuine issues presented by petitioner's motion and thus the District Court erred in granting summary judgment. The Court also made a considerable point of the District Court's reliance on the *Bendix* decision and appears to have reversed because of this without seriously considering the contentions on the merits.

It has been petitioner's position at all times that this action was not *barred* by any aspect of *res judicata* but that, following *Triplett*, the *Bendix* decision should be given great weight and should be followed if the court found that the issues of law and fact are the same. The Court of Appeals has not held that the issues of law and fact are different.

Respondents contended, and the Court of Appeals apparently agreed, that *Triplett* and *Aghnides* v. *Holden*, 226 F.2d 949 (7 Cir. 1955) require that where there is a prior adjudication of invalidity, no weight can be given to that decision until, in each subsequent case, full testimony has been taken at a trial on the merits and the Court has made its independent determination.

## REASONS FOR GRANTING PETITION.

### I. On the Broad Principle of the Relief Afforded by an Adjudication of Patent Invalidity.

There is a very substantial public interest involved in the issue of patent validity.[10] An extant patent, invali-

[10] *Haughey* v. *Lee*, 151 U.S. 282, 285 (1894).

dated by court decree, but "enforceable" under the present interpretation of *Triplett* through the harassment of protracted trials, is a *de facto* denial of a public relief which the courts are empowered and bound to declare.

The courts have the right, power and duty to follow and implement a first decision in any appropriate summary proceeding without a requirement that testimony be taken in successive trials on the merits unless the patentee was denied a full trial or there was clear error in the first adjudication.

The requirement of the taking of testimony at a trial before comity can apply is a clear misinterpretation of *Triplett*. This Court held only that the prior adjudication could not act as a *bar* to the bringing of a second action against a different defendant not in privity with the first. This Court in *Triplett* (No. 590) effectively stated that whether the second litigation is in the same circuit or a different one is immaterial; the court should look at the issues of fact and law in the second case. If they are the same as in the first case, only then is the second court bound to follow the first.[11]

Thus from *Triplett* itself a standard for the "great weight" to be given to the prior decision is also established.

This Court should now consider the construction which has been placed on *Triplett* and take this opportunity to clarify the law and implement the administration of justice in the patent field. In particular, the Seventh

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[11] The decision actually states the negative of this proposition, ". . . the court must decide whether the issues of law and fact in the two cases are the same, and if they are not it is not bound by the earlier decision." 297 U.S. 638, 648.

Circuit Court of Appeals has read into *Triplett* an absolute requirement for a trial with testimony on the merits before the earlier decision can become the law of the case. *Aghnides* v. *Holden,* 226 F.2d 949 (7 Cir. 1955).[12] A concurring opinion recognized the unfortunate consequences of this interpretation of *Triplett* but thought the matter required legislative correction.[13] Such is not the case. All that is required is judicial clarification by this Court. A statement of what *Triplett* stands for and how that case applies in summary proceedings is crucial in the circumstances. Where, as here, a decision of this Court has been misconstrued and misapplied, it is im-

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[12] The court in *Aghnides* v. *Holden* stated: "Plaintiffs have a right, if they desire, to litigate as against other defendants and not until and unless it appears by the evidence submitted at the trial that it does not differ essentially from the evidence submitted in the former case, will the decision in the first case become the law of the present one." (226 F.2d 949, 950)

[13] Judge Schnackenberg concurred but stated that *Aghnides* was entitled to a second full trial even without any affidavit showing. "The law does not require him to justify this indulgence. He is entitled to it because a suit testing the validity of a patent is not a proceeding *in rem* and hence Aghnides may litigate and relitigate again and again the question of validity of his patent as long as he selects a different defendant in each of the infringement suits which he files, thus avoiding the wholesome doctrine of *res adjudicata.* This queer result is one which we are unable to avoid. It is a situation which is particularly abhorrent when considered against the backlog of untried cases which clogs our federal courts. The latter are cases where the litigant asks only for his day in court, not a plurality of days in court as Aghnides is entitled to under the existing law. The remedy lies not in our hands. The congress could by legislation grant relief." (226 F.2d 949, 951)

portant that this Court grant certiorari to provide the much needed corrective authority. *McCandless* v. *Furland*, 296 U.S. 140 (1935), *Upshaw* v. *United States*, 335 U.S. 410 (1948).

How did the present view of *Triplett* come into existence? It is the result of an excessively zealous application of the "curious" rule of mutuality of estoppel that, as a judgment is not evidence *against* a stranger, the contrary judgment shall not be evidence *for* him.[14]

Because of the unique nature of the patent law as a purely federal body of law it is necessary and crucial that this court protect the second, third and eightieth defendants as well as the public generally from the present interpretation of *Triplett*.

In other fields of law the doctrine of mutuality of estoppel has been eroding for more than twenty years. Chief Justice Traynor, one of the nation's outstanding jurists and legal scholars, speaking for the Supreme Court of California, appears to have led in the recognition of a second defendant's right to hold a plaintiff to the factual determinations in an earlier decision although the

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[14] From "Bentham, Rationale of Judicial Evidence, in 7 Works of Jeremy Bentham 171" (Bowring Ed. 1843) which went on to state: "If the rule itself is a curious one, the reason given for it is still more so: . . . 'Nobody can take benefit by a verdict, who had not been prejudiced by it, had it gone contrary:' a maxim which one would suppose to have found its way from the gaming-table to the bench. * * * There is reason for saying that a man shall not lose his cause in consequence of the verdict given in a former proceeding to which he was not a party; but there is no reason whatever for saying that he shall not lose his cause in consequence of the verdict in a proceeding to which he *was* a party, merely because his adversary was not."

second defendant was not in any way a party to the first case.[15]

Unilateral estoppel has been followed in the Ninth Circuit in a personal injury case, *United Air Lines, Inc.* v. *Wiener,* 335 F.2d 379 (9 Cir. 1964) in the Second Circuit in a collective bargaining dispute, *Olga Zdanok et al.* v. *The Glidden Company,* 327 F.2d 944 (2 Cir., 1964), Cert. Den. 377 U.S. 934, where it was recognized "that such a holding would have seemed impossible fifty years ago," and in the Third Circuit in an admiralty case, *Bruszewski* v. *United States,* 181 F.2d 419-421 (3 Cir. 1950), Cert. Den. 340 U.S. 865.[16]

The law in the Seventh Circuit in other than patent cases may be the same. In *Factor* v. *Pennington Press, Inc.,* 230 F.Supp. 906, 910 (N.D. Ill. E.D. 1963), the court

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[15] In *Bernhard* v. *Bank of America,* 19 Cal. 2d 807, 122 P.2d 892 (1942), the Court stated: "No satisfactory rationalization has been advanced for the requirement of mutuality. Just why a party who was not bound by a previous action should be precluded from asserting it as *res judicata* against a party who was bound by it is difficult to comprehend. . . ."

[16] When *Bruszewski* attempted to prove negligence of the steamship company in a second case against the government, the Second Circuit Court stated: "The finding of no negligence on the other hand was made after full opportunity to *Bruszewski* on his own election to prove the very matter which he now urges a second time. Thus, no unfairness results here from estoppel which is not mutual. In reality the argument of appellant is merely that the application of *res judicata* in this case makes the law asymmetrical. But the achievement of substantial justice rather than symmetry is the measure of the fairness of the rules of *res judicata.*"

reiterated the three requirements of the *Bernhard* case to foreclose relitigation of an issue.[17]

The construction placed upon *Triplett* whereby a second full trial on the merits is always necessary reduces the prior adjudication to nothing, or perhaps to some small make-weight in the judicial process.

It appears that historically it was contemplated that the United States might bring actions in the public interest to void patents and thus eliminate harassing litigation, *United States* v. *Bell Telephone Co.*, 128 U.S. 315 (1888), but this provides no protection for the public today. "The public . . . is always impliedly . . . a third party to an infringement suit." *Williams* v. *United Shoe Mach. Corp.*, 121 F.2d 273 (6 Cir. 1941), affirmed 316 U.S. 364. "Besides, the defense of want of patentable invention in a patent operates not merely to exonerate the defendant, *but to relieve the public from an asserted monopoly*" (emphasis added) *Haughey* v. *Lee*, 151 U.S. 282, 285 (1894).[18]

This Court's supervisory authority is needed *now* and this case provides the logical and immediate vehicle to

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[17] 1, the issue must be identical; 2, the prior judgment must be final; and 3, "The party *against whom* the prior determination is asserted to be *res judicata* must have been a party, or in privity with a party, to the prior adjudication so that he had full opportunity to litigate the issue at least once. (However, there is no requirement of 'mutuality of privity': the party *who asserts* the prior determination as *res judicata* does not need to have been a party, or in privity with a party, to the prior adjudication." 230 F.Supp. 906, 910

[18] To the same effect are *Paramount Publix Corp.* v. *American Tri Ergon Corp.*, 294 U.S. 464, 477 (1935); *Kellogg Switchboard and Supply Co.* v. *Michigan Bell Telephone Co.*, 99 F.2d, 203, 205 (6 Cir. 1938).

provide the relief referred to in the *Haughey* case. The harbinger of things to come is *Nickerson* v. *Pep Boys—Manny, Moe & Jack,* 247 F. Supp. 221 (D.Del., 1965), where the court stated that "From the standpoint of precedents, *Triplett* v. *Lowell* does not rest upon too solid a foundation" and granted defendant's Motion for Summary Judgment based solely upon a prior adjudication of invalidity to which the defendant was not a party. A petition for certiorari raising the same issue has been filed in *Technograph et al.* v. *Croname, Inc.* and is now pending as No. 1187 in the October 1965 term.

In several recent cases this Court has clarified the standard of "invention" required to sustain a patent. The pressing need now is for a clarified procedure "relieving * * * the public from the asserted monopoly when there is no invention." [19]

**II. As to the Substantive Issues:**

**1. Relieving The Public of an Asserted Monopoly.**

Respondents' two patents relate to certain methods of making electric circuit components by etching away metal foil. The 80 civil actions initiated throughout the country based in part on these patents are an onerous public burden which should be lifted as soon as possible. The methods of the patents involve only the formation of an etch resistant pattern in either metal or non-metal on a conductive foil and removing the unprotected foil. These methods were notoriously old and *Bendix* held the patent claims invalid on this ground. Now the public should be exonerated; relieved of the asserted monopoly.[20] But such result is not clear in view of *Triplett.*

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[19] *Paramount Publix Corp.* v. *American Tri-Ergon Corp.,* 294 U. S. 464, 477 (1935).

[20] *Haughey* v. *Lee,* 151 U. S. 282, 285 (1894).

Petitioner's Motion for summary judgment relied upon various prior art disclosures and particularly upon the Stevens and Dallas disclosure of a completely anticipatory method (P. A. 17a, 21a-31a). The court had found such anticipation in *Bendix* (218 F. Supp. 1, 31). The District Court so found in this case in granting petitioner's motion. The respondents never disputed anticipation of the method, but by the only affidavit containing any relevant factual assertion alleged that the *unpatented device* resulting from the practice of the method was different, an issue that had been disposed of in *Bendix*.[21] Any difference between the devices has no bearing on the method claims relating to an etching process.

It is a fundamental principle "that it is not a patentable invention to apply old and well known devices and processes to new uses, in other and analogous arts."[22] Any differences in the devices here are merely in their shape, not in their nature. They are all "electrical components". These are the findings in *Bendix*, 218 F. Supp. 1, 41-42. Respondents have neither done nor said anything which would entitle them to a readjudication of this issue.

Unless petitioner and the remaining defendants throughout the country can place reliance upon the adjudication of invalidity, the expressed intent of *Hughey* v. *Lee*, 151 U.S. 282, and a vast body of law is frustrated.

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[21] The affidavits of *Jolly*, (R. A. p. 12a), *Pitzer*, (R. A. p. 48a) and *Shortt* (R. A. p. 23a) include no relevant allegations, the affidavits of *Everitt*, (R. A. p. 37a) and *Williams*, (R. A. p. 14a) are pure legal conclusions while the affidavit of *Town* (R. A. 26a) devotes three lines to Stevens and Dallas, alleging a difference in the devices.

[22] *Lovell Mfg. Co.* v. *Cary*, 147 U.S. 623, 637 (1893); *Miller* v. *Foree*, 116 U.S. 22, 27-28 (1885).

**2. The Procedure in a Second Suit On Patents Held Invalid.**

The Court of Appeals treated this case like any other motion for summary judgment, or worse, utilized the prior adjudication to increase defendant's burden.[23] This was the result of a basic misapplication of the law in *Triplett* indicating a need for a restatement thereof.

The Court of Appeals construed the thorough and decisive opinion in *Bendix* as *creating* instead of *resolving* issues. This, too, was the result of an error in construing *Triplett* indicating a need for restatement thereof.[24]

The Court of Appeals found that it was "left in the dark concerning the District Court's reasons for granting summary judgment."[25] This, too, resulted from a refusal to give weight or credence to *Bendix* and was contrary to sound legal principles and what *Triplett* should stand for.

The Court of Appeals concluded that the District Court thought "that the Maryland decision in *Bendix* settled the matter."[26] This shows further that the court reacted negatively to any reliance upon the prior adjudication which is contrary to the proper rule of law and the intent of *Triplett*.

## CONCLUSION.

For the reasons stated, this Petition for Certiorari should be granted.

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[23] 356 F.2d 442, 447 (Appendix A, p. 9a).
[24] 356 F.2d 442, 447 (Appendix A, p. 10a).
[25] 356 F.2d 442, 446 (Appendix A, p. 8a).
[26] 356 F.2d 442, 445 (Appendix A, p. 5a).

## APPENDIX A.

IN THE
UNITED STATES COURT OF APPEALS
FOR THE SEVENTH CIRCUIT

SEPTEMBER TERM, 1965 — JANUARY SESSION, 1966

Nos. 15020, 15021, 15023, 15024
TECHNOGRAPH PRINTED CIRCUITS, LTD., and TECHNOGRAPH PRINTED ELECTRONICS, INCORPORATED,
*Plaintiffs-Appellants,*
No. 15020 *v.*
METHODE ELECTRONICS, INC.,
*Defendant-Appellee.*
TECHNOGRAPH PRINTED CIRCUITS, LTD., and TECHNOGRAPH PRINTED ELECTRONICS, INCORPORATED,
*Plaintiffs-Appellants,*
No. 15021 *v.*
GENERAL TELEPHONE & ELECTRONICS CORPORATION and AUTOMATIC ELECTRIC COMPANY,
*Defendant-Appellee.*
TECHNOGRAPH PRINTED CIRCUITS, LTD., and TECHNOGRAPH PRINTED ELECTRONICS, INCORPORATED,
*Plaintiffs-Appellants,*
No. 15023 *v.*
WEBCOR, INCORPORATED,
*Defendant-Appellee.*
TECHNOGRAPH PRINTED CIRCUITS, LTD., and TECHNOGRAPH PRINTED ELECTRONICS, INCORPORATED,
*Plaintiffs-Appellants,*
No. 15024 *v.*
CRONAME, INCORPORATED,
*Defendant-Appellee.*

Appeals from the United States District Court for the Northern District of Illinois, Eastern Division.

JANUARY 7, 1966

Before HASTINGS, *Chief Judge,* and KNOCH and KILEY, *Circuit Judges.*

HASTINGS, *Chief Judge.* These are parallel cases filed in the United States District Court for the Northern District of Illinois by plaintiffs charging infringement of Eisler patents No. 2,441,960 (No. 960), Reissue No. 24,165 (No. 165) and No. 2,706,697 (No. 697).

The Eisler patents in suit are generally concerned with methods of producing so-called "printed circuits" for use in the manufacture of electronic equipment. For a more detailed description of patent claims, reference is made to the opinion in *Technograph Printed Circuits, Ltd.* v. *Bendix Aviation Corp.,* D.C., D. Md., 218 F. Supp. 1 (1963).

Plaintiff Technograph Printed Circuits, Ltd., is an English company which holds legal title to the patents in suit by assignments from the inventor, Paul Eisler.

Plaintiff Technograph Printed Electronics, Incorporated, a North Carolina corporation, is the exclusive licensee under said patents with right to license others.

Plaintiff filed six infringement actions in the district court, as follows:

(1) An action against Methode Electronics, Inc., charging infringement of Nos. 960, 165 and 697. (Appeal No. 15020).

(2) An action against Admiral Corporation for infringement of No. 165. This action was settled during proceedings in the district court and is not before us on appeal.

(3) An action against General Telephone & Electronics Corporation and its subsidiary Automatic Electric Company for infringement of Nos. 165 and 697. The action was dismissed as to General Telephone for lack of personal jurisdiction and improper venue. It has continued against Automatic Electric. (Appeal No. 15021).

(4) An action against Trav-Ler Industries, Inc., for infringement of No. 165. This action became Appeal No. 15022, but has since been settled and dismissed by stipulation and is no longer before us on appeal.

(5) An action against Webcor, Incorporated for infringement of No. 165. (Appeal No. 15023).

(6) An action against Croname, Incorporated for infringement of Nos. 960, 165 and 697. (Appeal No. 15024).

Each of the remaining above named four defendants filed a motion for summary judgment, which motions were granted by the district court by a minute order, entering judgments in favor of defendants, dismissing plaintiffs' respective complaints at plaintiffs' costs.

Plaintiffs have appealed from the several judgments in Nos. 15020, 15021, 15023 and 15024, respectively.

## PLAINTIFFS' OTHER LITIGATION

It appears that prior to the filing of the instant complaints in the district court, plaintiffs had filed about ten other actions charging infringement of the Eisler patents against other than the present defendants in various other jurisdictions of the United States. It also appears that at the time of the consideration of case by the district court plaintiffs had filed numerous additional similar actions against other defendants in other districts.

On May 25, 1959, plaintiffs filed an action against Bendix Aviation Corporation in the United States District Court for the District of Maryland. It charged Bendix with infringement of Nos. 960, 165 and 697.

Bendix answered, denying infringement and alleging invalidity of all three patents (and all their claims) on the grounds, *inter alia,* of anticipation, obviousness in light of the prior art, and other specific defenses as to certain of the three patents.

Following a prolonged trial, the district court, Honorable R. Dorsey Watkins, presiding, found that certain

claims of the Eisler patents were invalid for a number of reasons, including invalidity in view of the prior art, and were not infringed. Judge Watkins published an extended memorandum opinion in support of his decision. *Technograph Printed Circuits, Ltd.* v. *Bendix Aviation Corp.*, 218 F. Supp. 1-67 (1963).[1]

On appeal, the Fourth Circuit affirmed per curiam, 327 F. 2d 497 (1964), cert. denied, 379 U.S. 826 (1964), stating: "After careful consideration of the record, the arguments and the briefs of counsel, we are persuaded that the patent claims are invalid for obviousness in the light of the prior art for the reasons discussed in the opinion of the District Court."

## PROCEEDINGS LEADING TO SUMMARY JUDGMENT

After the affirmance of the *Bendix* case by the Fourth Circuit, plaintiffs moved to consolidate the six cases then pending here in the district court. At the hearing on this motion, the district court, having been previously advised of the decision in the Maryland case, raised the question of the extent to which that decision would be controlling in the pending cases. The trial court was of the fixed opinion that counsel should find some way to test out the question. Counsel for Admiral suggested a motion for summary judgment based on the evidence in the Maryland case. Counsel for Webcor, after consulting with other lawyers present, did not "think a summary judgment at the present time is exactly the four-square way of hitting this thing." He suggested a motion for plaintiffs to show cause why judgment should not be entered against them on invalidity. Plaintiffs objected to summary judgment stating, *inter alia,* they proposed to put in additional evidence on the question of validity. The trial court put the matter over for two weeks for counsel to act "because I think this produces a ridiculous situation."

[1] The nature and extent of the hearings before Judge Watkins are set out at 218 F. Supp. 8, n. 21.

Thereafter, at a hearing set for all pending motions, the district court stated: "Well, we are not going to spend much time on this. Somebody has had a full and complete trial in another court, and I don't know why we have to go over the whole matter again. This matter will be continued until some time in September or October, and at that time I think somebody ought to show cause why a motion should not be made here which would dispose of this matter without the necessity of a trial.'"[2]

Upon being advised that all defendants either had filed or were ready to file motions for summary judgment, the trial court set a hearing on such motions for a subsequent date. At the subsequent hearing, the case was taken on the papers filed by the respective parties, without oral argument. Twelve days later, summary judgment was granted.

We have set out some of the observations made by the learned trial judge, not by way of criticism, but to show his genuine concern with the state of the record as he found it and what he thought should be done about it. There is little doubt in our minds that he did "think one bite of the cherry ought to be enough" and that the Maryland decision in *Bendix* settled the matter.

We have carefully examined the four separate motions for summary judgment filed by defendants below, together with the supporting material in each case.

Methode (Appeal No. 15020) asserts (1) the claims of the three patents in suit are invalid for obviousness in light of the prior art for the reasons set out by the

[2] In these proceedings, plaintiffs cited Judge Lindley's opinion in *Aghnides v. Holden*, 7 Cir., 226 F. 2d 949, 951 (1955), holding that though a patent had been adjudged invalid in another patent infringement action against other defendants, plaintiffs cannot be deprived "of the right to show, if they can, that, as against defendants who have not previously been in court, the patent is valid and infringed." To this citation the trial court responded, "We will try to see if there isn't some way of getting around that decision by Judge Lindley. You have had your day in Court and you have been all through the courts down in Baltimore concerning this matter, and I think one bite of the cherry ought to be enough, because it is not a very big cherry."

Maryland court in *Bendix;* (2) the claims of No. 165 are invalid for the reason that they are ambiguous, vague and indefinite; (3) the claims of No. 165 are void for double patenting over No. 960; (4) the claims of Nos. 165 and 960 are invalid as covering inoperative procedures; and (5) claim 5 in No. 697 is invalid for the omission of an indispensable step in the claimed process. The grounds are substantially a repetition of the holdings of the district court in *Bendix.* In addition, Methode filed an index of documentary exhibits on the motion for summary judgment consisting of the disclaimers in Eisler's British patents; no corresponding disclaimers in United States patents; reproduction of prior art patents and publications reflecting 16 United States patents, 6 British patents and one patent each from France, Germany and Russia. Methode also submitted to the trial court a brief containing counsel's summary of the teachings and meaning of the supporting material, including a number of references to the district court's opinion in *Bendix.*

The other defendants, Croname, Webcor and Automatic Electric generally limited their grounds for summary judgment to claims of invalidity on anticipation and obviousness in light of the prior art for the reasons expressed by the district court in *Bendix.* Each filed a supporting brief by counsel on the teachings of the prior art, as did Methode.

In answer and opposition to defendants' several motions for summary judgment, plaintiffs filed six affidavits all based on personal knowledge, which may be summarized as follows:

(1) Professor Everard M. Williams, head of the Department of Electrical Engineering at the Carnegie Institute of Technology, Pittsburgh, Pennsylvania. After stating his experience and professional attainments, affiant discussed the technical aspects of some of the problems involved in the methods of manufacturing electronic gear. He discussed the specifications and claims of each of the three Eisler patents and stated his findings favorable to

plaintiffs' contentions. He had read the district court opinion in *Bendix* and examined the patents and publications and references referred to in that opinion (listing them) and failed to find in them a disclosure of the subject matter set forth in any claim of the Eisler patents. He found no disclosures in the cited prior art which would make the subject matter as a whole set forth in any claim of the Eisler patents obvious to a person having ordinary skill in the electrical and electronics art. He did not believe the subject matter of the patents would have been obvious to a person having ordinary skill in the electrical and electronics art. He found the differences between the processes set forth in the claims of each of the Eisler patents to be significant and important in the manufacture of electronic gear and that such differences represented the difference between success and failure in commercial manufacturing.

(2) Thomas D. Jolly, a retired vice-president of the Aluminum Company of America and an engineer. Affiant stated his experience in the manufacture of aluminum foil and its use. He stated that the section of the district court opinion in *Bendix,* reported at 218 F. Supp. at pages 38-40, entitled "Foil", containing statements that the difference between foil and metal deposited *in situ* is "semantics", and that either metallized paper and metal coatings are foil or are the equivalent of foil, "do not comport with the recognized and established meaning of the word 'foil' and are incorrect in fact."

(3) Hubert L. Shortt, president of plaintiff Technograph Printed Electronics, Inc. Affiant stated his business and manufacturing experience and the commercial success of plaintiff in licensing the use of the Eisler patents. Accumulated royalties collected to date by plaintiff were in excess of $1,500,000. He listed licensees of the Eisler patents (16 in number), including major national companies in the electronics business.

(4) George R. Town, Dean of Engineering and Director of the Engineering Experiment Station at Iowa State University, Ames, Iowa. Affiant stated in substance

the same matter set out in the affidavit of Dean Williams, *supra,* except in a more detailed manner and specifically discussed the shortcomings of 11 patents in the cited prior art. He also disputed the factual correctness of a number of statements in the district court opinion in *Bendix,* with specific references thereto.

(5) William L. Everitt, Dean of the College of Engineering, University of Illinois, Urbana, Illinois. His affidavit followed the same general pattern of those of Professor Williams and Dean Town.

(6) John C. Pitzer, retired Manager of Application Development for Industrial Products of Formica Corporation, Cincinnati, Ohio, a chemical engineer. His affidavit dealt with the use of satisfactorily bonded metal-clad laminate and is not directly relevant to the issues before us on appeal.

In reply to plaintiffs' affidavits in opposition to summary judgment, defendants filed briefs generally taking the position that plaintiffs' affidavits were conclusory in nature and did not point to new evidence; that the question of obviousness in view of the prior art was a question of law and not of fact; and that the question of invention could be decided on the basis of the documentary evidence before the court and without expert help in reading the patents.

The district court filed no supporting memorandum opinion stating its reasons for finding and holding the patents in suit to be invalid, nor did the district court make findings of fact or state conclusions of law in support of its judgment. As a consequence, we are left in the dark concerning the district court's reasons for granting summary judgment.

Under Rule 52(a), Federal Rules of Civil Procedure, 28 U.S.C.A., the trial court was not required to do so. "Findings of fact and conclusions of law are unnecessary on decisions of motions under Rules 12 or 56 • • •." Rule 52(a), *supra.* Whether good practice in a given case

should dictate the contrary is a matter of policy to which we shall subsequently allude.

Defendants' several motions for summary judgment are authorized under Rule 56, Federal Rules of Civil Procedure, 28 U.S.C.A. Under Rule 56(b), defendants elected not to file supporting affidavits with their motions. They contend there was only a question of law presented by such motions.

The parties now are in general agreement that the judgment in the Maryland court in the *Bendix* case is not *res judicata* in the instant case. This was made clear in *Aghnides* v. *Holden,* 7 Cir., 226 F. 2d 949 (1955) and the authorities cited therein.

Further, it is well settled that, in a proper case, the validity of a patent may be determined by use of summary judgment. *A R Inc.* v. *Electro-Voice, Incorporated,* 7 Cir., 311 F. 2d 508, 511 (1962); *Magee v. Coca-Cola Company,* 7 Cir., 232 F. 2d 596, 599 (1956); *Davison Chemical Corp.* v. *Joliet Chemicals,* 7 Cir., 179 F. 2d 793, 795 (1950).

"On summary judgment the inferences to be drawn from the underlying facts contained in such materials [affidavits, exhibits and depositions] must be viewed in the light most favorable to the party opposing the motion." *United States* v. *Diebold, Inc.,* 369 U.S. 654, 655 (1962). Stated conversely, it was the duty of the district court "to resolve all doubts as to the existence of a genuine issue as to a material fact against the party moving for summary judgment." *Chesapeake & O. Ry. Co.* v. *International Harvester Co.,* 7 Cir., 272 F. 2d 139, 142 (1959).

We find the argument of defendants that no disputed factual question is material here and that the determination of obviousness is solely a question of law in the instant case not to be well founded. In *Armour & Co.* v. *Wilson & Co.,* 7 Cir., 274 F. 2d 143, 156-157 (1960), we held that the showing made by the prior art, the

nature of the improvement the patentee has made over the prior art and the element of novelty were all factual questions. Those questions of fact having been determined, the final resolution of obviousness under Sec. 103 of the Patent Act then "requires the application of the correct legal criteria *to the factual determination made by the trial court.* This calls for the exercise of a legal judgment and as such is subject to review by an appellate tribunal as a question of law." *Id.* at 156. (Emphasis added.)

One needs but to read the lengthy opinion of the district court in *Bendix, supra,* on which defendants place so much reliance, to note the sharp and bitter dispute concerning the factual determinations underlying the application of the correct legal criteria required by Sec. 103. It is true that the district court here had the *Bendix* opinion to consider, but that is a far cry from having before it the record of the testimony in that case or finding that plaintiffs have no new or additional evidence.

We find from the record before us on this appeal that there is a genuine issue of material fact present here essential to the determination of the issues presented by defendants' motions for summary judgment. The district court erred in granting summary judgment below.

In *A R Inc.* v. *Electro-Voice, Incorporated, supra,* we observe from the record that the district court filed an extensive memorandum opinion reviewing the claims of the patent in suit in comparison to the prior state of the art.

In *Davison Chemical Corp.* v. *Joliet Chemicals, supra,* the district court had before it only the pleadings, the patent in suit and its file wrapper, one prior patent, the deposition of the patentee, and two affidavits as to the status of the prior art, none of which was disputed.

In *Magee* v. *Coca-Cola Company, supra,* our court noted that plaintiffs offered no controverting evidence,

thus leaving that introduced by defendants undisputed. Further, in that case, we had before us the opinion of the district court, Honorable Walter J. La Buy, reported in 17 F.R.D. 10 (1955). This opinion discloses the issue raised by motion for summary judgment was patent invalidity because of prior public use or sale. There were depositions of six witnesses, brochures, alleged anticipating patent and the patent in suit. There was an oral argument on the motion, a demonstration of the alleged infringing device and a stipulation limiting certain proof. The district court fully stated its views on the issues presented for determination. It also made this statement:

> "Rule 56 applies to patent cases and is used in those instances where the structure and mode of operation of the accused device may be readily comprehended by the court and compared with the invention described and claimed in the patent without need of technical explanation by expert witnesses. A summary judgment should not, however, be entered except where the defendant is entitled to judgment beyond all doubt, or where the evidence presented in support thereof would compel the direction of a verdict." *Id.* at 11.

We agree.

The language of Judge Lindley, speaking for our court in *Aghnides v. Holden,* 7 Cir., 226 F. 2d 949 (1955), is relevant and should be noted.[3]

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[3] "This suit was pending at the time of our former decisions. It was against other alleged infringers who are not shown to be identified in any wise with the defendants in the former case, or in privity with them. It would seem axiomatic therefore, that the rules of *res adjudicata* do not apply and, indeed, defendants do not insist that they do. Nor can it be said that our decision in the former case is the law of this circuit to the extent that it is decisive in other cases for infringement against other defendants. Plaintiffs have a right, if they desire, to litigate as against other defendants and not until and unless it appears by the evidence submitted at the trial that it does not differ essentially from the evidence submitted in the former case, will the decision in the first case become the law of the present one. Thus, in *Triplett* v. *Lowell,* 297 U.S. 638, at pages 642-644, 56 S. Ct. 645, at page 647, 80 L. Ed. 949, the Supreme Court said: 'Neither reason nor authority

In *Hazeltine Research* v. *General Electric Co.*, 7 Cir., 183 F. 2d 3, 5-7 (1950), in reversing a summary judgment, the court took note of the technical nature of the fact question involved relative to the question of invalidity for want of invention. The court had grave doubts that there were no contested issues of material fact and resolved those doubts against the party moving for summary judgment.

Defendants here pay us a stale compliment in citing our statement in *Armour & Co.* v. *Wilson & Co.*, 274 F. 2d at 156, "The testimony relates to the use made

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(Footnote 1 continued)
supports the contention that an adjudication adverse to * * * the claims of a patent precludes another suit upon the same claims against a different defendant. While the earlier decision may by comity be given great weight in a later litigation and thus persuade the court to render a like decree, it is not *res adjudicata* and may not be pleaded as a defense. See *Mast, Foos & Co.* v. *Stover Mfg. Co.*, 177 U.S. 485, 20 S. Ct. 708, 44 L. Ed. 856; *Sanitary Refrigerator Co.* v. *Winters*, 280 U.S. 30, 35, 50 S. Ct. 9, 74 L. Ed. 147. * * * neither the rules of the common law applicable to successive litigations concerning the same subject-matter, nor the disclaimer statute, precludes relitigation of the validity of a patent claim previously held invalid in a suit against a different defendant.' It continued, 297 U.S. at page 648, 56 S. Ct. at page 650: 'The fact that the suit was brought in the same circuit where the Court of Appeals had previously held some of the claims invalid is immaterial, for the court must decide whether the issues of law and fact in the two cases are the same, and if they are not it is not bound by the earlier decision.'

"A case similar to the one before us is *Gold Seal Importers, Inc.* v. *Westerman-Rosenberg, Inc.*, 2 Cir., 133 F. 2d 192. There, by amended answer, the defendant averred that the patent had been held invalid by the Court of Appeals in the case of *Gold Seal Importers* v. *Morris White Fashions*, 2 Cir., 124 F. 2d 141, and moved for judgment on the pleadings. There, too, the district court granted the motion merely because the validity of the patent had been decided adversely to the plaintiff in the former case. The judgment was reversed. The court said, *Gold Seal Importers, Inc.* v. *Westerman-Rosenberg, Inc.*, 2 Cir., 133 F. 2d at pages 192-193: '* * * obviously that decision cannot be pleaded as *res judicata* in a suit against a different infringer not in privity with Morris White Fashions. Nor is it a precedent which the district court was bound to follow, unless the evidence pertinent to the issue of validity is the same in both cases. *Smith* v. *Hall*, 301 U.S. 216, 218, 57 S. Ct. 711, 81 L. Ed. 1049; *Lektophone Corp.* v. *Miller Bros.*, D.C. Del., 37 F. 2d 580, 581; *Minerals Separation* v. *Butte & Superior Copper Co.*, D.C. Mont., 237 F. 2d 401, 402.'

"Of course it is desirable that there should be an end to litigation. But this beneficient result cannot be attained at the expense of depriving plaintiffs of the right to show, if they can, that, as against defendants who have not previously been in court, the patent is valid and infringed." *Id.* at 950-951.

of prior art, and the documentary and physical exhibits do not stand mute but speak for themselves." In the instant case, the patents in suit and the voluminous prior art are of such technical nature as to escape our understanding. They may "speak for themselves" but we feel the need of expert translation and interpretation, screened for us by appearance and demonstration before a trial court.

From a practical standpoint, an affirmance of the summary judgments in this case would require, in essence, a consideration of the case *de novo* with an adequate treatment of the patents in suit and the prior art. This we are neither prepared nor qualified to do, given the present state of the record. Effective judicial administration dictates this should not be required of a court of appeals.

In this case, we are not attempting to decide issues of fact and express no opinion on the validity of the patents in suit. We make no judgment on the validity of the opinion and holdings in the *Bendix* case in the courts of the Fourth Circuit. The *Bendix* decision may by comity be given great weight by the district court after it hears testimony in a trial of the instant case on the merits. That consideration is committed to the discretion of the trial court.

Finally, defendants strongly suggest that plaintiffs are not acting in good faith in pursuing this litigation and in filing a multitude of similar actions against other defendants in other jurisdictions. In effect, they charge plaintiffs are guilty of litigious harassment in pursuit of further license agreements.

We have assumed plaintiffs here are acting in good faith. If, on a trial on the merits, this confidence should prove to be ill-founded, it lies within the power of the district court to impose the statutory sanction of awarding attorney fees. 35 U.S.C.A. § 285. We have as little enthusiasm for unwarranted litigation as we do for

improper use of summary judgment procedures in patent actions.

It is apparent that plaintiffs' prayer asking us to hold the Eisler patents valid is misplaced and cannot be considered.

For the foregoing reasons, we hold that summary judgment was improperly granted in these cases before us on appeal. The judgments below are reversed and the causes are remanded to the district court for further proceedings consistent with this opinion.

REVERSED AND REMANDED.

## APPENDIX B.

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IN THE
UNITED STATES COURT OF APPEALS
FOR THE SEVENTH CIRCUIT
Chicago 10, Illinois
Friday, January 7, 1966

Before
Hon. John S. Hastings, Chief Judge
Hon. Win G. Knoch, Circuit Judge
Hon. Roger J. Kiley, Circuit Judge

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| TECHNOGRAPH PRINTED CIRCUITS, LTD., and TECHNOGRAPH PRINTED ELECTRONICS, INCORPORATED, *Plaintiffs-Appellants,* vs. METHODE ELECTRONICS, INC., et al., *Defendants-Appellees.* | Appeals from the United States District Court for the Northern District of Illinois, Eastern Division. |
| No. 15020, 15021 15023, 15024 | |

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This cause came on to be heard on the transcript of the record from the United States District Court for the Northern District of Illinois, Eastern Division, and was argued by counsel.

On consideration whereof, it is ordered and adjudged by this court that the judgments of the said District Court in this cause appealed from be, and the same are hereby, REVERSED, with costs, and that these causes be, and they are hereby, REMANDED to the said District Court for further proceedings consistent with the opinion of this Court filed this day.

## APPENDIX C.

IN THE
UNITED STATES COURT OF APPEALS
FOR THE SEVENTH CIRCUIT
Chicago, Illinois 60604
Tuesday, March 22, 1966

Before
Hon. John S. Hastings, Chief Judge
Hon. Win G. Knoch, Circuit Judge
Hon. Roger J. Kiley, Circuit Judge

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| TECHNOGRAPH PRINTED CIRCUITS, LTD., et al., *Plaintiffs-Appellants,* vs. GENERAL TELEPHONE & ELECTRONICS CORP., et al. WEBCOR INCORPORATED, *Defendants-Appellees.* | Appeals from the United States District Court for the Northern District of Illinois, Eastern Division. |

No. 15021, 15023

It Is Ordered by the Court that the petitions for a rehearing of this cause be, and the same are hereby, DENIED.

## APPENDIX D.

IN THE
UNITED STATES COURT OF APPEALS
FOR THE SEVENTH CIRCUIT
Chicago, Illinois 60604
Friday, April 1, 1966
Before
Hon. John S. Hastings, Chief Judge

TECHNOGRAPH PRINTED CIRCUITS, LTD., et al.,
*Plaintiffs-Appellants,*
No. 15021, 15023 vs.
GENERAL TELEPHONE & ELECTRONICS CORP., et al.
WEBCOR INCORPORATED,
*Defendants-Appellees.*

Appeals from the United States District Court for the Northern District of Illinois, Eastern Division.

On consideration of the separate motions of counsel for the defendants-appellees in the above entitled appeals, to stay issuance of mandates, and the response of plaintiffs-appellants thereto,

It Is Ordered that the issuance of the mandates of this Court in the two above-entitled appeals be stayed for a period of thirty days (30) in accordance with the provisions of Rule 28 of the Rules of this Court.

IN THE

UNITED STATES COURT OF APPEALS

FOR THE SEVENTH CIRCUIT

Chicago, Illinois 60604
Tuesday, May 3, 1966

Before
Hon. John S. Hastings, Chief Judge

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TECHNOGRAPH PRINTED CIRCUITS, LTD., et al.,
*Plaintiffs-Appellants,*
No. 15021 vs.
GENERAL TELEPHONE & ELECTRONICS CORP., et al.
*Defendants-Appellees.*

Appeals from the United States District Court for the Northern District of Illinois, Eastern Division.

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On consideration of the motion of counsel for defendant-appellee Automatic Electric Company, counsel for plaintiffs-appellants having no objections thereto,

It Is Ordered that the issuance of the mandate of this Court be further stayed for a period of thirty (30) days in accordance with the provisions of Rule 28 of the Rules of this Court.

# APPENDIX E.

## FEDERAL RULES OF CIVIL PROCEDURE FOR THE UNITED STATES DISTRICT COURTS

### Rule 52.

### FINDINGS BY THE COURT

**(a) Effect.** In all actions tried upon the facts without a jury or with an advisory jury, the court shall find the facts specially and state separately its conclusions of law thereon, and judgment shall be entered pursuant to Rule 58; and in granting or refusing interlocutory injunctions the court shall similarly set forth the findings of fact and conclusions of law which constitute the grounds of its action. Requests for findings are not necessary for purposes of review. Findings of fact shall not be set aside unless clearly erroneous, and due regard shall be given to the opportunity of the trial court to judge of the credibility of the witnesses. The findings of a master, to the extent that the court adopts them, shall be considered as the findings of the court. If an opinion or memorandum of decision is filed, it will be sufficient if the findings of fact and conclusions of law appear therein. Findings of fact and conclusions of law are unnecessary on decisions of motions under Rules 12 or 56 or any other motion except as provided in Rule 41(b). As amended Dec. 27, 1946, eff. March 19, 1948; Jan. 21, 1963, eff. July 1, 1963.

**(b) Amendment.** Upon motion of a party made not later than 10 days after entry of judgment the court may amend its findings or make additional findings and may amend the judgment accordingly. The motion may be made with a motion for a new trial pursuant to Rule 59.

When findings of fact are made in actions tried by the court without a jury, the question of the sufficiency of the evidence to support the findings may thereafter be raised whether or not the party raising the question has made in the district court an objection to such findings or has made a motion to amend them or a motion for judgment.

## Rule 56.

## SUMMARY JUDGMENT

**(a) For Claimant.** A party seeking to recover upon a claim, counterclaim, or cross-claim or to obtain a declaratory judgment may, at any time after the expiration of 20 days from the commencement of the action or after service of a motion for summary judgment by the adverse party, move with or without supporting affidavits for a summary judgment in his favor upon all or any part thereof. As amended Dec. 27, 1946, eff. March 19, 1948.

**(b) For Defending Party.** A party against whom a claim, counterclaim, or cross-claim is asserted or a declaratory judgment is sought may, at any time, move with or without supporting affidavits for a summary judgment in his favor as to all or any part thereof.

**(c) Motion and Proceedings Thereon.** The motion shall be served at least 10 days before the time fixed for the hearing. The adverse party prior to the day of hearing may serve opposing affidavits. The judgment sought shall be rendered forthwith if the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law. A summary judgment, interlocutory in character, may be rendered on the issue of liability alone although there is a genuine issue as to the amount of damages. As amended Dec. 27, 1946, eff. March 19, 1948; Jan. 21, 1963, eff. July 1, 1963.

**(d) Case Not Fully Adjudicated on Motion.** If on motion under this rule judgment is not rendered upon the whole case or for all the relief asked and a trial is necessary, the court at the hearing of the motion, by examining the pleadings and the evidence before it and by interrogating counsel, shall if practicable ascertain what material facts exist without substantial controversy and what material facts are actually and in good faith controverted. It shall thereupon make an order specifying the facts that appear without substantial controversy, including the extent to which the amount of damages or other relief is not in controversy, and directing such further proceedings in the action as are just. Upon the trial of the action the facts so specified shall be deemed established, and the trial shall be conducted accordingly.

**(e) Form of Affidavits; Further Testimony; Defense Required.** Supporting and opposing affidavits shall be made on personal knowledge, shall set forth such facts as would be admissible in evidence, and shall show affirmatively that the affiant is competent to testify to the matters stated therein. Sworn or certified copies of all papers or parts thereof referred to in an affidavit shall be attached thereto or served therewith. The court may permit affidavits to be supplemented or opposed by depositions, answers to interrogatories, or further affidavits. When a motion for summary judgment is made and supported as provided in this rule, an adverse party may not rest upon the mere allegations or denials of his pleading, but his response, by affidavits or as otherwise provided in this rule, must set forth specific facts showing that there is a genuine issue for trial. If he does not so respond, summary judgment, if appropriate, shall be entered against him. As amended Jan. 21, 1963, eff. July 1, 1963.

**(f) When Affidavits are Unavailable.** Should it appear from the affidavits of a party opposing the motion that he cannot for reasons stated present by affidavit facts essential to justify his opposition, the court may refuse the application for judgment or may order a continuance

to permit affidavits to be obtained or depositions to be taken or discovery to be had or may make such other order as is just.

**(g) Affidavits Made in Bad Faith.** Should it appear to the satisfaction of the court at any time that any of the affidavits presented pursuant to this rule are presented in bad faith or solely for the purpose of delay, the court shall forthwith order the party employing them to pay to the other party the amount of the reasonable expenses which the filing of the affidavits caused him to incur, including reasonable attorney's fees, and any offending party or attorney may be adjudged guilty of contempt.

## UNITED STATES CODE

## TITLE 35—PATENTS

### § 102. Conditions for patentability; novelty and loss of right to patent

A person shall be entitled to a patent unless—

(a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for patent, or

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States, or

(c) he has abandoned the invention, or

(d) the invention was first patented or caused to be patented by the applicant or his legal representatives or assigns in a foreign country prior to the date of the application for patent in this country on an application filed more than twelve months before the filing of the application in the United States, or

(e) the invention was described in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant for patent, or

(f) he did not himself invent the subject matter sought to be patented, or

(g) before the applicant's invention thereof the invention was made in this country by another who had not abandoned, suppressed, or concealed it. In determining priority of invention there shall be considered not only the respective dates of conception and reduction to practice of the invention, but also the reasonable diligence of one who was first to conceive and last to reduce to practice, from a time prior to conception by the other.

**§ 103. Conditions for patentability; non-obvious subject matter**

A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

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JUN 6 1966
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IN THE

# Supreme Court of the United States

OCTOBER TERM, 1965

NO. 1388

AUTOMATIC ELECTRIC COMPANY,
Petitioner,

v.

TECHNOGRAPH PRINTED CIRCUITS, LTD., and TECHNOGRAPH PRINTED ELECTRONICS, INCORPORATED,
Respondents.

## BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

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June 6, 1966

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## TABLE OF AUTHORITIES

### CASES


| | PAGE |
|---|---|
| Croname, Incorporated v. Technograph Printed Circuits, Ltd., and Technograph Printed Electronics Incorporated, No. 1187, October Term, 1965 | 2 |
| Forsyth v. Hammond (1897) 166 U.S. 506 | 5 |
| Layne & Bowler Co. v. Western Well Works (1923) 261 U.S. 387 | 5 |
| Magnum Co. v. Coty (1923) 262 U.S. 159, 163 | 5 |
| Nickerson v. Pep Boys — Manny, Moe & Jack (D. Del., 1965) 247 F. Supp. 221 | 5 |
| Technograph Printed Circuits, Ltd. v. Bendix Aviation Corp., (D.C. Md., 1963) 218 F. Supp. 1; aff'd. (C.A. 4, 1964) 327 F.2d 497; cert. den. 379 U.S. 826 | 2, 3, 4 |
| Tyrrell v. District of Columbia (1917) 243 U.S. 1 | 5 |


### STATUTES


| | |
|---|---|
| 35 U.S.C. 103 | 2 |


### RULES


| | |
|---|---|
| Federal Rules of Civil Procedure: Rule 56(c) | 3 |

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### OPINION BELOW

The opinion of the Court of Appeals for the Seventh Circuit, of which review is sought (356 F.2d 442) is captioned in four cases.

References herein to the opinion below will be both to the official report and the Appendix to the Petition.

## — II —

## JURISDICTION

Respondents admit jurisdiction.

---

## — III —

## COUNTER-STATEMENT

This is an ordinary patent infringement case in the interlocutory stage. It is one of four companion cases involving one or more of the same three patents.*

A Petition for Writ of Certiorari filed in one of the companion cases and raising the same questions presented herein was denied on May 23, 1966; *Croname, Incorporated v. Technograph Printed Circuits, Ltd., and Technograph Printed Electronics, Incorporated,* No. 1187, October Term, 1965. The other companion cases have been remanded to the district court for further proceedings.

The patents in suit are addressed to complex electronic circuits and components and the manufacture thereof.

Petitioner moved for summary judgment in the district court on the grounds of anticipation and obvious-

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*Respondents earlier filed an action on the three patents in the District of Maryland. That court held the patents invalid on various grounds and also held they had not been infringed; *Technograph Printed Circuits, Ltd. v. Bendix Aviation Corp.,* (1963) 218 F. Supp. 1. The Fourth Circuit affirmed on the sole ground of obviousness under 35 U.S.C. 103; 327 F.2d 497 (1964), cert. den. 379 U.S. 826 (1964) (356 F.2d 443; Pet., 4a).

ness (356 F.2d 445; Pet., 6a). Its motion was unsupported by affidavits or other showing of fact. Respondents opposed the motion on the ground that there were genuine issues of material fact which precluded the entry of summary judgment; Civil Rule 56(c); and they filed extensive affidavits factually supporting their position and showing that the decision in the *Bendix* case rests upon numerous errors of fact. The district court filed no opinion; it entered only a minute order granting summary judgment dismissing the complaint in each of the four cases (356 F.2d 446; Pet., 8a). Respondents appealed.

All of the defendants below (including Petitioner) conceded in the Court of Appeals that the *Bendix* decision is not *res judicata* here (356 F.2d 446; Pet., 9a). The record of the *Bendix* case is not a part of the record in this case.

Petitioner asserted in the Court of Appeals that respondents' affidavits raised no genuine issue of fact, but the Court of Appeals held (356 F.2d 447; Pet., 10a):

> "We find from the record before us on this appeal that there is a genuine issue of material fact present here essential to the determination of the issues presented by defendants' motions for summary judgment."

The Court of Appeals correctly distinguished between questions of fact and questions of law arising in the cases (356 F.2d 447; Pet., 11a).

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## — IV —

## PETITIONER'S "QUESTIONS PRESENTED" DO NOT FAIRLY ARISE ON THIS RECORD:

*Question 1* (Pet., 2) is directly contrary to the position taken by petitioner below. What petitioner is asking here is that respondents be held estopped by the judgment in the *Bendix* case from litigating their patents against petitioner. But in the proceedings below petitioner conceded that the *Bendix* decision is not *res judicata* here, and the Court of Appeals so noted (356 F.2d 446; Pet., 9a). Insofar as the effect of the *Bendix* decision as precedent is concerned, the Court of Appeals correctly noted the force and effect of the rule of comity applicable when this case reaches final hearing (356 F.2d 448; Pet., 11-12a).

*Question 2* (Pet., 3) does not arise. The Court of Appeals properly held that there are genuine issues of material fact (356 F.2d 447; Pet., 10a). The petition nowhere shows otherwise.

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— V —

## ARGUMENT

Petitioner's Question 1 is a contrived question which not only does not arise but is directly contrary to petitioner's concession below. Petitioner cites *Nickerson v. Pep Boys — Manny, Moe & Jack* (D. Del., 1965) 247 F. Supp. 221. In that case, however, the plaintiff conceded that it had no new or different evidence to present. Being in a district court, the case presents no conflict of circuit with the instant proceeding. This Court has held that it will not grant certiorari in the circumstances presented here; *Tyrrell v. District of Columbia* (1917) 243 U.S. 1, 6.

Petitioner's Question 2 presents mere questions of fact. This Court has uniformly held that it will not grant certiorari to review such questions, particularly where, as here, they do not involve principles of public importance as distinguished from the mere interests of the parties: *Magnum Import Co. v. Coty* (1923) 262 U.S. 159, 163; *Layne & Bowler Co. v. Western Well Works* (1923) 261 U.S. 387, 393; *Forsyth v. Hammond* (1897) 166 U.S. 506, 514.

The petition should be denied.

Respectfully submitted,

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*Respondents.*

## REPLY BRIEF IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT

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# INDEX

PAGE

TABLE OF CASES.

Land v. Dollar, 330 U.S. 731, 734 (n. 2) (1947) ..... 3

Larson v. Domestic & Foreign Corp., 337 U.S. 682, 685 (1949) ..... 3

Technograph Printed Circuits, Ltd., et al. v. Methode Electronics, Inc., et al., 356 F. 2d 442, 446, 447, 449 (7 Cir. 1966) ..... 2

United States v. General Motors Corp., 323 U.S. 373, 377 (1945) ..... 3

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# REPLY BRIEF IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT

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## THE "QUESTIONS PRESENTED" CLEARLY ARISE ON THIS RECORD

*Question 1* (Pet., 2) is precisely in accord with the position taken by petitioner in both the District Court and the Court of Appeals. The printed Appendix before the Court of Appeals shows that petitioner's position in the District Court was: "This Court can and should consider this case on motion for summary judgment and should reach the same decision as the Maryland District Court, all necessary facts being supported in documents before the court and those documents having already been

carefully scrutinized and analyzed by the Maryland Court." (Appendix to Appellee's Brief, p. 31).

*Question 2* (Pet., 3) arises because the Court of Appeals found an "issue of fact" in this case based upon a "sharp and bitter dispute concerning the factual determinations" in *Bendix* (356 F.2d 442, 447). Instead of giving the proper "great weight" to the *Bendix* decision, the Court of Appeals held "the inferences . . . must be viewed in the light most favorable to the party opposing the motion." and "all doubts as to the existence of a genuine issue as to a material fact" must be resolved "against the party moving for summary judgment." (356 F.2d 442, 446-47). The court restricted the doctrine of comity in stating: "The Bendix decision may by comity be given great weight by the district court *after it hears testimony in a trial of the instant case on the merits.*" (Emphasis added) (356 F.2d 442, 449) and this sharply focuses the very point of Question 2. It is an erroneous limitation of the doctrine of comity which transcends the issues in this particular case. Resolution of the question here will free the public of an onerous burden and prevent complete relitigation of invalid patents again and again.

## THIS CASE IS PROPER SUBJECT OF REVIEW BECAUSE THE ISSUE IS FUNDAMENTAL

Respondents suggest that the decision of the Court of Appeals was interlocutory and presents no conflict of decisions and thus oppose the petition. While the District Court's decision would have finally disposed of the litigation, the remand for trial by the Court of Appeals does not.

It was in precisely these circumstances that certiorari was granted in *Land* v. *Dollar*, 330 U.S. 731, 734 (n. 2) (1947) where this Court stated: "Although the judgment below was not a final one, we considered it appropriate for review because it involved an issue 'fundamental to the further conduct of the case.'" Accord: *Larson* v. *Domestic & Foreign Corp.*, 337 U.S. 682, 685 (1949); *United States* v. *General Motors Corp.*, 323 U.S. 373, 377 (1945). The essence of the public interest to be served through this petition requires that it arise in an interlocutory proceeding.

The petition should be granted.

Respectfully submitted,

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